

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is entered between S.W. BACH & COMPANY (hereinafter "SW") and ERIC CLARK in his official capacity as MISSISSIPPI SECRETARY OF STATE (hereinafter "SOS").

PARTIES

1. SW is a New York corporation located at 6 Harbor Park Drive, Port Washington, New York 11050. At all times relevant herein, according to both the Central Records Depository (hereinafter "CRD") and the records of the SOS, SW was registered as a broker-dealer in the State of Mississippi.
2. Eric Clark is the duly elected Secretary of State for the State of Mississippi.

JURISDICTION

3. The parties herein acknowledge and confess to the jurisdiction of the Secretary of State as to the parties and the subject matter of this Memorandum of Understanding.

RECITALS

4. The SOS alleges that SW failed to promptly provide records, required to be maintained and preserved, upon request by the Division.
5. SW eventually provided the records, required to be maintained and preserved, requested by the Division.

TERMS OF AGREEMENT

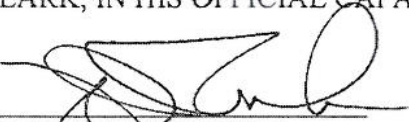
Now, therefore, in consideration of the foregoing and mutual promises and covenants contained herein, the parties agree as follows:

6. SW agrees to pay the SOS in the amount of Five Thousand Dollars (\$5,000.00) for costs and expenses the SOS incurred as a result of SW's alleged failure to provide records, required to be maintained and preserved, upon request by the Division. SW agrees to remit payment to the "Mississippi Secretary of State" upon execution of this Memorandum of Understanding.

The parties herein acknowledge that they have read all the terms of this Memorandum of Understanding, that it is complete, and they agree to comply with all of the terms herein. The parties further agree that any change, modification or alteration of this document may only be done in writing agreed to by all parties.

ERIC CLARK, IN HIS OFFICIAL CAPACITY AS SECRETARY OF STATE

By:

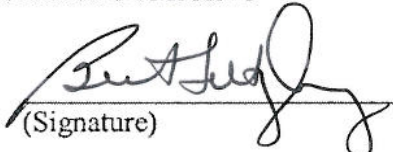

JAMES O. NELSON, II
Assistant Secretary of State

Date:

9/20/05

SW BACH & COMPANY

By:


(Signature)
Berton Seitzberg
(Print Name)

Title:

Director of Compliance

Date:

9-21-2005